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SAPC 7360

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Dear Dick:

We have been requested to provide an estimate of the costs of engineering a one-inch magnetic tape reproducing system which could be employed for the reproduction of records derived from System 4 operations and records of similar structure derived from other activities with which your organization is concerned. We are submitting herewith a proposal covering the engineering and other services necessary to develop equipment in the form desired and to produce a total of eight such units of equipment. The attached statement of work indicates the services and equipment to be developed and fabricated. There is attached also a delivery schedule and a cost estimate for this program.

The total cost of developing this equipment and of producing the

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The cost of producing each unit of play-back equipment is estimated

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a period of 90 days from the date of this proposal.

As in the case of the quarter-inch tape play-back equipment, we have felt that the unit costs for this system were undesirably high. Accordingly, we have checked with the Ampex people to determine whether they could provide essentially similar equipment at a more favorable cost. Ampex has indicated that the only equipment they can provide which meets the basic requirements is that known as their Type FR-100 system. This system provides a recorder or reproducer capable of operating at tape speeds up to 60 inches per second (similar in this respect to Ampex Type 300 equipment) and an amplifier system matching in all essential respects that which would be provided under our development program. The price for this equipment is quoted at [REDACTED] to which must be added the cost of a 14-channel mixing system and control panel for which they have no current design. On the basis of this information, we have

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To: Dick

been forced to the conclusion that no reduction in cost could be effected through the purchase of standard Ampex equipment and that, on the contrary, it is probable that the total cost resulting from the purchase of Ampex equipment capable of meeting the present needs and of adding thereto the units which Ampex cannot provide would exceed the cost figures which have been estimated on the basis of our own development and production costs. It is important to note also that Ampex refuses to sell separately either the tape reproducer or the amplifier units forming part of this system, nor will they provide price quotations on these units separately to serve as a guide in estimating the probable cost of assembling what might be termed custom-tailored tape reproduction systems to meet your particular needs. In view of this information, we are submitting this proposal in the belief that equipment of corresponding quality and engineered to meet the particular needs for which this equipment is under consideration cannot be secured at lower cost from another manufacturer.

Sincerely,


Dean

Enclosures:

CMCC Doc. No. 1131X5.22,

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CMCC Doc. No. 1132X5.19,

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CMCC Doc. No. 1134X5.3,

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* Handed to G. K., 6-15-56

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